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 HD **Four First Nations in B.C. tout low-carbon path to postpandemic economic recovery; Liquefied natural gas as a transition fuel is seen as a key element in initiative to boost growth while fighting climate change**
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VANCOUVER

Four First Nations in northern British Columbia are devising what they view as a low-carbon path to a postpandemic economic recovery on their traditional territories, highlighting a starring role for liquefied natural gas as a transition fuel to help combat climate change.

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The elected leaders of the Haisla, Lax Kw'alaams, Metlakatla and Nisga'a have formed the First Nations Climate Initiative as a think tank, saying their goal is to attract private-sector investment, bolster economic self-determination and address poverty in their communities.

Of the four Indigenous groups, the Haisla Nation is the only one so far to see an LNG project, after LNG Canada began construction in the fall of 2018 in Kitimat, B.C., on an industrial site on the Haisla's traditional territory.

Their end game is to attract investment in at least two more LNG projects in northwest B.C., possibly in the Prince Rupert region, the Nass Valley or Kitimat.

In an eight-page position paper, dated May 27, the four First Nations describe their aspiration to "create a vibrant low-carbon economy out of the economic devastation COVID-19 has precipitated." In the paper, LNG is touted as a transition fuel that will be important to help move toward a low-carbon future anticipated for mid- to late-century.

The pro-LNG views contrast sharply with Wet'suwet'en Nation hereditary chiefs, who oppose Coastal GasLink's \$6.6-billion natural gas pipeline that is being built to supply LNG Canada's \$18-billion export terminal in Kitimat.

Haisla leaders maintain that LNG poses far fewer environmental risks than crude oil, emphasizing that they vehemently opposed the now-defunct Northern Gateway oil pipeline plans.

One of the possibilities is a Haisla proposal for Kitimat called Cedar LNG, which is undergoing a regulatory review led by the B.C. Environmental Assessment Office.

"In past situations after the economy took a downturn, the focus was on financial recovery and not as much attention was paid to the environmental impact. But we're in a good position here in British

Columbia to set an example,” Haisla chief councillor Crystal Smith said in an interview from Kitamaat Village, located near Kitimat.

Ms. Smith signed a memorandum of understanding last October on behalf of the Haisla, agreeing to co-operate with the three other pro-LNG First Nations on balancing the desire for economic growth with backing climate action. The idea now is to encourage input from the B.C., Alberta and federal governments to collaborate with First Nations and the private sector on mitigating climate change.

“LNG is a transition fuel,” Ms. Smith said. “Our focus is on balancing our economy while taking into consideration the environmental impact on our territories.”

Eva Clayton, the elected president of the Nisga’a Nation, said collaboration among Indigenous groups is especially important today because the pandemic has rocked the economy, and it’s crucial to think globally and act locally.

“COVID-19 has brought on huge changes. We have to be more diligent in keeping an eye on the environment,” Ms. Clayton said in an interview from New Aiyansh, B.C. “Our people are adamantly against oil exports but we’re reaching out to discuss the LNG sector.”

The four First Nations want to become equity partners in any future LNG plans in northwest British Columbia. Their ideas include earmarking a portion of LNG-related profits to help finance renewable energy projects and restoring forests.

They say their decision to support future LNG projects is dependent on “net-zero emissions” within British Columbia, referring to the theoretical state in which greenhouse-gas emissions produced are cancelled out by removing GHGs from the atmosphere. The ambitious goal is to spur renewable energy while rehabilitating ecosystems that absorb carbon and clamping down on emissions.

Indigenous backers of the climate initiative are promoting greater use of hydroelectricity at well sites, pipeline pumping stations and liquefaction plants. They are raising the possibility of B.C. electricity generated from new sources such as geothermal in the Terrace region and offshore wind turbines in waters near Prince Rupert.

LNG Canada, led by Royal Dutch Shell PLC, is not part of the climate initiative’s net-zero scenario, but the hope is that future LNG projects would fit into the objective to fully counter and offset carbon emissions.

In their paper, the four First Nations say they plan to “initiate a pilot project with a willing customer in Asia to secure commitments to displace GHG-intensive fuels such as thermal coal with net-zero LNG.” Thermal coal remains widely used at Asian power plants to generate electricity.

The controversy over LNG Canada and Coastal GasLink exposed deep divisions among members of Indigenous groups over resource development.

Wet’suwet’en hereditary chiefs opposed to Coastal GasLink and LNG Canada are backed by an array of environmental groups, including the Canadian Association of Physicians for the Environment. The association believes that any COVID-19 economic stimulus should focus on a “sustainable green recovery,” and doesn’t view LNG as a clean alternative to thermal coal.

But Ms. Clayton said industrial customers in Asia are buying LNG from plants producing at a higher emissions intensity than what will be the case in Canada.

LNG Canada plans to operate at 0.15 carbon-dioxide equivalent tonnes for each tonne of LNG produced, a level of emissions intensity that would be well below existing LNG plants elsewhere in the world such as ones in Australia. LNG Canada expects to start exports to Asia in 2025 and be in operation for at least 40 years.

The Canadian Centre for Policy Alternatives has warned that in many instances, LNG could displace renewable energy instead of thermal coal in China’s power-generation sector. In a report in March, the centre said British Columbia should gradually wind down fossil-fuel industries within 20 to 30 years, calling for phasing out of production of coal, oil and natural gas.

Industry analysts forecast that China will emerge as the world’s largest importer of LNG within three years, edging ahead of Japan.

The First Nations Climate Initiative supports the concept of internationally transferred mitigation outcomes (ITMOs), which involve voluntary co-operation arrangements between two countries willing to engage in a system of carbon trading, as envisaged in broad strokes under Article 6 of the 2015 Paris climate agreement. But efforts to implement controversial ITMOs stalled at last December's United Nations climate conference in Madrid.

The Lax Kw'alaams and Metlakatla jointly own a 10-per-cent stake in Ridley Terminals Inc., a coal-exporting facility on Ridley Island in the Port of Prince Rupert. Ridley exports thermal coal for electricity plants in Asia, and also ships metallurgical coal, which goes into making steel.

Organizers behind the climate initiative are researching other ideas, notably natural gas as a source of hydrogen for hydrogen fuel cells, and exploring the role of carbon capture and storage as part of the fight against climate change.

"All new LNG and other gas product development projects achieve net zero within this new policy framework," they say in their May 27 paper.

In 2015, the Lax Kw'alaams Band rejected Pacific NorthWest LNG's \$1-billion offer over 40 years that sought to obtain support for a proposed export terminal on Lelu Island in the Port of Prince Rupert. The Lax Kw'alaams later gave conditional support to Pacific NorthWest, but the LNG consortium led by Malaysia's state-owned Petronas cancelled the venture in 2017.

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